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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 2, 2011

Bruce Evans
Nephi Sandstone Corporation
1250 North 200 West
P. O. Box 137
Nephi, Utah 84648

Subject: Requirements for Reclamation Bond Payment Schedule, Nephi Sandstone, Soma Quarry, S/023/0065, Juab County, Utah

Dear Mr. Evans:

Enclosed is a copy of the reclamation bond payment schedule that you submitted for the Soma Quarry S/023/0065. The Division has found this schedule to be adequate. Please sign the agreement and return it to the Division. The Division will send a copy of the signed agreement for your records.

The agreement is for you to make payments into a certificate of deposit. Please send the Division a receipt of each payment within five days after the payment has been deposited.

The Division will continue to hold Liberty Mutual Insurance Company liable for all reclamation obligations incurred prior to the date of termination of the reclamation surety but will release Liberty Mutual from this obligation once a suitable replacement surety is in place. **No mining operations are authorized until the full surety amount has been paid.**

If you have any questions concerning this letter, please contact me at (801) 538-5261, Wayne Western at (801) 538-5263, or Penny Berry, bond coordinator, at (801) 538-5291.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:whw:pb

cc: Jerry_Mansfield@BLM.gov

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Payment Schedule for Nephi Sandstone Corp.

S/023/0065

Table X

Authorized Signature and Date Payment Received	Number	Due Date (by)	Payment Amount	Additional Pmt.	Total Received
	1	January 31, 2011	\$5,000.00		\$
	2	March 5, 2011	\$5,000.00		\$0
	3	April 20, 2011	\$5,000.00		\$0
	4	May 30, 2011	\$5,000.00		\$0
	5	June 30, 2011	\$5,200.00		\$0
	6				\$0
	7				\$0
			\$25,200.00	\$0	\$

Total amount required: \$25,200.00

I agree to the amounts identified in this payment schedule as shown on Table X and will abide by the payment criteria. I understand all mine sites must be adequately bonded.

Operator _____
Signature

Date _____

Agreed and Approved by Division:

Division Director _____
Signature

Date _____